

VZCZCXR06009
OO RUEHDE
DE RUEHAD #0240/01 0441248
ZNR UUUUU ZZH
O 131248Z FEB 07
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8268
INFO RUEHDE/AMCONSUL DUBAI 6846
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEHNSC/NSC WASHDC

UNCLAS SECTION 01 OF 02 ABU DHABI 000240

SIPDIS

SENSITIVE
SIPDIS

DEPARTMENT FOR NEA/ARP, EBB/TPP/BTA
STATE PASS USTR FOR AUSTR DONNELLY AND DOUG BELL
TREASURY FOR AHMED SAEED

E.O. 12958: N/A

TAGS: ETRD EINV PREL AE

SUBJECT: UAE Press Highlight FTA "Progress"

¶1. (SBU) On February 13, the UAEG issued a press release on the progress of the free trade agreement negotiations and on the intention to restart the Trade and Investment Framework Agreement (TIFA) Council that received extensive UAE press coverage. The UAEG's press release specifically did not mention the expiration of the U.S. Trade Promotion Authority (TPA), or the impossibility of concluding the FTA before expiration of TPA. Unfortunately, based on the headlines, several of the local papers appear to have gotten a much more positive impression about the near term prospects of the FTA than the UAEG may have intended to give.

¶2. (U) On February 13, the UAEG issued a press statement on the progress of the free trade agreement negotiations and on the intention to restart the TIFA council that was covered by all papers in the UAE. Although the articles all drew from the press release, many of the headlines were very bullish, including: Al-Itihad (Arabic) "Notable Progress in E-Commerce and Intellectual Property Rights Issues: Resumption of the UAE-U.S. Free Trade Negotiations;" Gulf News (English) "Officials breathe new life into UAE-US FTA: Parties reviewed progress in London last week, with significant ground being made." Al-Khaleej's (Arabic) headline was the most restrained (and accurate): "A meeting in London to discuss the Free Trade Zone: The UAE and USA Agree to activate the Framework Agreement to enhance bilateral trade and investment (TIFA)."

¶3. (U) The UAE's news agency WAM carried a press release in both English and Arabic. The Arabic press quoted Dr. Kharbash as saying that the two parties would "activate" the TIFA and that there would be a meeting this spring to discuss how to expand the TIFA and to work on achieving progress on trade and investment issues. It noted that "The two sides reviewed progress achieved in their negotiations, including notable progress in standardization, environment, e-commerce, market access, intellectual property, and textiles." It also said that the parties would focus on a number of issues in the coming periods including e-commerce and intellectual property rights. In addition, the release cited the excellent trade and investment relationship between the U.S. and the UAE, noting that the UAE is the third largest Arab exporter to the U.S. (second largest non-oil Arab exporter) and that the U.S. is one of the most important sources of goods for the UAE after China and Japan. WAM's English Language press release, contained below, was slightly less detailed. The English Language Khaleej Times article, had a fairly complete rendition of the press release.

¶4. (U) Begin Text of WAM English language press release

Abu Dhabi, Feb 13th, 2007 (WAM)--Free Trade Talks between the UAE and the United States have achieved progress in many aspects, notably in the areas of standards, environment, e-commerce, penetration to markets and copyrights.

According to a statement issued Monday by the Ministry of Finance and Industry, the two sides will build on the progress made so far to clear the rest of the hurdles.

"The two sides have agreed to redouble efforts to resolve the outstanding issues, notably issues related to digital economy and other issues that are still impeding the smooth flow of trade between the two countries", the statement said.

UAE and U.S. officials met in London on Feb. 9th, to review the progress by the various negotiation teams. At the end of the meeting, the two sides renewed their commitment to expedite the talks with the view of ultimately reaching a free trade agreement and, eventually creation of a free trade zone.

End Text

15. (U) 5. (U) Begin Text of Khaleej Times Article

UAE makes progress in trade talks with U.S.
By a Staff Reporter

Abu Dhabi- Free trade negotiations between the UAE and the United States have made progress in many aspects, notably in the areas of standards, environment, e-commerce, market access and copyrights.

According to a statement issued yesterday by Ministry of Finance and Industry, the two sides will build on the progress made so far to clear the rest of the hurdles.

"The two sides have agreed to redouble efforts to resolve the outstanding issues, notably issues related to digital economy and other issues that are still impeding the smooth flow of trade between the two countries," the statement said. The two sides also

ABU DHABI 00000240 002 OF 002

agreed to reactivate the Trade and Investment Framework Agreement (TIFA) and the talks in this regard would take place in spring this year.

Sheikha Lubna Al Qasimi, Minister of Economy led the UAE team during the talks held in London on February 9. Dr. Mohammed Khalfan bin Khirbush, Minister of State for Financial and Industrial Affairs, and other high-ranking officials also participated in the meeting.

The two sides reviewed the progress on trade talks and renewed their commitment to expedite the talks with the view of ultimately reaching a FTA and, eventually creation of a free trade zone.

End Text

16. (SBU) Comment: The UAEG's press release specifically did not mention the expiration of the U.S. Trade Promotion Authority (TPA), or the impossibility of concluding the FTA before expiration of TPA.

According to MinFin A/US Khalid Al-Bustani, the UAE decided not to refer to TPA, "given that this was a U.S. domestic matter." Unfortunately, based on the headlines, several of the local papers appear to have gotten a much more positive impression about the near term prospects of the FTA than the UAEG may have intended to give.

Sison